<center>**REMARKS**</center>

Introduction

Claims 1-20 were originally pending in this application. Claims 1-20 remain pending for consideration in this application.

Claim Rejections

35 U.S.C. §103

Claims 1, 3-13, 15-16, and 18-20 were rejected under 35 U.S.C. §103(a) as being unpatentable over published U.S. Patent Application No. 2004/0111379 to Hicks et al. in view of U.S. Patent No. 5,182,705 to Barr et al. Claims 14 and 17 were similarly rejected as being unpatentable over the Hicks et al. application in view of Barr et al, and in further view of published U.S. Patent Application No. 2003/0018497 to Luedtke et al. In addition, in paragraphs 13, 14, and 19 the Examiner cites the Hicks reference in view of an unspecified "Monk" reference as a basis for rejection. However, the "Monk" reference is not identified on any of the PTO-892 forms in the file history of this application. Thus, the applicant believes this to be a typographical error in which "Monk" was inadvertently used instead of reference to the Barr et al. '705 patent. In any event, the applicant cannot agree with the Examiner that the invention claimed would have been obvious to one of ordinary skill in the art in view of these references. Accordingly, for the reason set forth below, the applicant respectfully traverses these rejections.

The Prior Art

Published U.S. Patent Application No. 2004/0111379 to Hicks et al.

The Hicks et al. publication is directed toward providing a highly secure electronic interface that identifies and certifies the digital identity of individual parties over an electronic network, such

<center>8</center>

as an Intranet or the World Wide Web Internet. According to Hicks et al., a group of individual member institutions create an entity, referred to hereafter as the root entity, to establish a global, interoperable network of financial institutions. The root entity is intended to be a commercially viable, for-profit business that facilitates domestic and international business-to-business electronic commerce. It does so by creating a framework that provides digital identity certification authority for its members, its participants, and all their associated employees. The participants issue digital identification certificates to the various involved parties who then use those certificates to affix digital signatures to messages sent through electronic communications systems. Warranties attesting to the validity of the digital identification may also be issued to protect the various participants. This is a "closed" system, in which only parties that have agreed to abide by the system's rules and regulations are allowed to participate.

As shown in Figures 1 and 2, the Hicks system is based on an operating model with five primary parties: root entity 102, an issuing participant 10, a subscribing customer 20, a relying participant 30, a relying customer 40, and a collateral custodian 112. Each component depicted in Figure 2 is digitally identified and digitally certified by the root entity 102 and possesses its own digital identity certificate, which in turn is validated through the trusted hierarchy. Digital identity certificates are issued to L1 participants 106sub1, which then issue digital identity certificates to L2 participants 106sub2 or customers 108.

Each subscribing customer 20 subscribes to the system and is a customer of its issuing participant 10, and each relying customer 40 is a customer of its relying participant 30. Thus, each customer 108 interacts with the system through its respective participant 106. In a typical transaction, a seller (L2 level) asks its financial institution (L1 participant) to validate the credentials of a buyer (L2 level). The seller's financial institution (L1 level) contacts the buyer's financial

institution (L1 level), which in turn attests to the digital identity of its customer, the buyer (L2 level). Conversely, if the buyer (L2 level) wishes to check a seller's (L2 level) digital identification certificate, the process takes place the same way, with each party relying on a digital certificate and digital signature by first consulting its own financial institution (L1 level).

In addition, as part of the process, the financial institution (L1 level) may offer a digital identity warranty service for either party. The issuing participant 10 is the primary obligor on warranties of digital identification certificates, while the relying participant 30 acts as an agent. Each L1 participant 106 maintains a collateral account with a collateral custodian 112, which is distinct and separate from issuing participant 10 and is provided in support of the warranty issuance by the L1 participant. As shown in Figure 4, step A, a prospective L1 participant 106sub1 applies for admission to the system. In step B, the prospective L1 participant 106sub1 receives and signs a participation agreement and agrees to be bound by the operating rules. Also in step B, the root entity 102 sets a maximum warranty cap for the prospective L1 participant 106sub1 and a collateral amount that the prospective L1 participant 106sub1 is required to post. The specific amount of collateral that a L1 participant 106sub1 must post per warranty certificate issued varies from participant to participant based on established business criteria.

With regard to the warranting of the issued digital certificates, the system provides a review process for claim complaints filed against an issued warranty to avoid disputes should a transaction event go awry as a result of misidentified parties. As shown in Figure 8, when a warranty for a digital identity certificate is issued to a relying customer 40 (step 802) and a dispute arises one of the following occurs: the relying customer 40 files a claim within the warranty expiration date (step 804, see also B in Figure 8F; the relying customer 40 does not file a claim within the applicable time

period and the warranty expires (step 806); or the relying customer 40 files a claim after the applicable time period and the warranty expires (step 808).

If the relying customer 40 files a claim within the warranty time limit with relying participant 30 (step 804), then the relying participant 30 notifies the corresponding issuing participant 10 of a filed claim and provides supporting evidence per the contractual obligations with the issuing participant 10 and relying customer 40 (see also C in Figure 8F). In step 814, issuing participant 10 determines whether it will pay. If the issuing participant 10 decides not to pay the claim, the issuing participant 10 informs relying participant 30 of its decision (816). If the relying customer 40 is dissatisfied with issuing participant's decision, the relying customer 40 may initiate dispute resolution/arbitration proceedings (820, see also E in Figure 8F). The issuing participant 10 may also decide to pay the warranty claim (814).

If a claim is not filed within the warranty expiration date (806), then the issuing participant's outstanding warranty amount is decreased by the predetermined expired warranty amount. If a claim is filed after warranty expiration (808), then no funds are paid out.

In this manner, the system of the Hicks et al application provides a digital business interface between participants in a closed business system. Certain participants within the Hicks system are charged with identifying and certifying the digital identity of individual parties and providing digital identification certifications and further providing warranties of the digital certifications. The issued warranties are financially backed-up by collateral accounts that set aside funds to provide compensation to claim complaints filed against the issued warranties should a transaction event go awry as a result of misidentified parties. Importantly, however, the Hicks system *does not* concern itself with, or process claims against, a manufacturer's product. Additionally, when a claim is filed in the Hicks system against the issued warranty for the validity of a digital identification certificate,

11

the Hicks system does not access the monetary a value of the particular claim and then process it through a predetermined series of management levels for approval.

U.S. Patent No. 5,182,705 to Barr et al.

The Barr et al. patent is directed toward a system and method for substantially automating the work management of insurance policy claims. Specifically, Barr et al. discloses a system and method that computer automates the management and control of every insurance claim filed into the system. Supervisors and staff members are provided with the ability to maintain an accurate record of all activities undertaken in the processing of an insurance claim and the further ability to access the complete claim file at any time during the process.

In practice, the processing of a claim begins with the receipt of a notice of a loss from an insured, a claimant, a customer or an agent. These loss notices are received by mail, telephone, in person or electronically. The information from these notices is keyed into a local host computer (Figure 5) where a separate electronic file or record is created for each loss. The claims are each processed by a "claim automation system" (CAS) model illustrated in Figure 7. The CAS operates from the host computer, which automates and provides all the processing steps of a insurance claim filing as illustrated in Figures 1 through 4.

As in the non-automated system, a Claim Assistant is responsible for the input of loss notices into the CAS System. The loss notice information is input through a Loss Processing Transaction ("LPT") function from a Primary Menu (see, e.g., Tables II and III). The first screen displayed is the Loss Processing Transaction Interface screen that is used to input skeletal policy information which, in turn, is used to extract policy information from a Policy File which may reside in one of the host computer's databases or in a local database. When information is successfully extracted from the

12

Policy File or Policy Index Table, and upon completion of the LPT Interface screen a series of loss screens are displayed that contain policy/insured and loss/claim description data. The number of screens and their sequence is relative to the number of claims arising from the loss occurrence and the manner in which the loss was reported.

The initial screens accessed contain fields for inputing required information that applies to the entire loss occurrence. Reporting screens are used to record information that is specific to an individual claim arising out of the loss occurrence. Screens are also available for entering Witness, Contact/Comment information and Special Procedures, if applicable. Where the notice of loss is received electronically from agents, insureds, customers or a central reporting center, the information is in a form that pre-fills the fields in the LPT.

From the Claim Set up screen, the LPT can be completed, routed to another staff member for additional input or review, or edited further, typically, a supervisor for review and assignment. Upon completion of the form, the supervisor electronically assigns the claim to a particular handler for processing by using a Route/Process screen. A sequential claim number (or record report number) is automatically generated and assigned by the system to every claim resulting from the loss.

A different work flow occurs depending on the handler's selection of the type of payment transaction (i.e. close, partial, reopen/close) and the method of issue (i.e. machine, manual, repetitive). To choose a claim upon which a payment is to be made, a Claim List screen displays the claim family and is prefilled, listing the main claim number, followed by any companion claim numbers.

However, neither the Hicks et al. publication nor the Barr et al. patent disclose or suggest a method of *processing a customer claim against a manufacturer's product* that includes the steps of *determining the monetary value of the claim*, then approving or denying the claim at *the first*

management level when the monetary value of the claim is below a first predetermined level. The Hicks et al. publication and the Barr et al. patent also do not disclose or suggest *a second management level* that acts to review all claims input at the first management level and which acts to approve or deny the claim when the monetary value of the claim is above the first predetermined level and below a second predetermined level. Further, the Hicks et al. publication and the Barr et al. patent do not disclose or suggest a *third management level* acting to review all claims input at the first and second management levels and acting to approve or deny the claim when the monetary value of the claim is above the second predetermined level as required by independent claim 1.

Additionally, the Hicks et al. publication and the Barr et al. patent do not disclose or suggest a method for *processing a customer claim against a manufacturer's product* after the expiration of a specified warranty period including a *fourth management level* to review all approved claims for accuracy and completeness and to inform the customer when a claim is denied as required by independent claim 19. The fourth management level acts to inform an accounting management level when a claim has been approved and then directs the accounting management level to reimburse the customer. Similarly, the Hicks et al. publication and the Barr et al. patent do not disclose or suggest a *fourth management level* as described above in connection with *processing a customer claim against a manufacturer's product* for ancillary costs arising from customer expenses associated with the servicing of the product while still within the manufacturer's specified warranty period as required by independent claim 20.

Published US Patent Application No. 2003/0018497 to Luedtke

The Luedtke publication is directed to providing an interactive system in which a primary insurer or reinsured may interactively bind coverage of primary insurance policies under a automatic

reinsurance agreement to a secondary insurer or reinsurer so that the reinsurer and reinsured may monitor the status of coverage for each of the policies submitted for automatic coverage. The method is conducted through a computer system including a database for storing pertinent data and information and one or more computers or servers. The computers or servers are accessible through a computer network. The software generates screens, generally in the form of web pages through which information and data concerning the administration of the facultative automatic agreement may be collected and displayed. In part, Luedtke discloses a web page button for approval or denial of the policy transfer transactions. However, it is respectfully submitted that Luedtke is entirely distinct from the other prior art references as well as the method of the present invention.

In summary, none of the prior art references of record in this case disclose or suggest the methods of processing a customer claim against a manufacturer's product as described in independent claims 1, 19, and 20, including first, second, and third and/or fourth management levels, nor the specific functions performed by these management levels.

The Present Invention

In contrast to the prior art references, the present invention as defined in independent claim 1 is a method of *processing a customer claim against a manufacturer's product* that includes the steps of inputting the claim through a computer to a database at a first management level, determining the monetary value of the claim, approving or denying the claim at the first management level when the monetary value of the claim is below a first predetermined level. The method includes a second management level that acts to review all claims input at the first management level and to approve or deny the claim when the monetary value of the claim is above the first predetermined level and below a second predetermined level. A third management level acts to

15

review all claims input at the first and second management levels and to approve or deny the claim when the monetary value of the claim is above the second predetermined level.

Independent claim 19 is directed toward a method of *processing a customer claim against a manufacturer's product* when the claim is made for repair or replacement of the product *after* the expiration of a specified warranty period. Similarly, independent claim 20 is directed toward a method of *processing a customer claim against a manufacturer's product* when the claim is made *for ancillary costs* arising from customer expenses associated with the servicing of the product while still within the manufacturer's specified warranty period. Both independent claims 19 and 20 include the limitations set forth in independent claim 1 as described above. In addition, both independent claims 19 and 20 include a fourth management level to review all approved claims for accuracy and completeness and to inform the customer when a claim is denied and to inform an accounting management level when a claim has been approved and direct the accounting management level to reimburse the customer.

Argument

A rejection based on §103 must rest on a factual basis, with the facts being interpreted without a hindsight reconstruction of the invention from the prior art. Thus, in the context of an analysis under § 103, it is not sufficient merely to identify one reference that teaches several of the limitations of a claim and another that teaches several limitations of a claim to support a rejection based on obviousness. This is because obviousness is not established by combining the basic disclosures of the prior art to produce the claimed invention absent a teaching or suggestion that the combination be made. Interconnect Planning Corp. v. Fiel, 774 F.2d 1132, 1143, 227 U.S.P.Q.

(BNA) 543, 551 (Fed. Cir. 1985); In Re Corkhill, 771 F.2d 1496, 1501-02, 226 U.S.P.Q. (BNA) 1005, 1009-10 (Fed. Cir. 1985). The relevant analysis invokes a cornerstone principle of patent law:

> That all elements of an invention may have been old (the normal situation), or some old and some new, or all new, is however, simply irrelevant. Virtually all inventions are combinations and virtually all are combinations of old elements. Environmental Designs v. Union Oil Co. of Cal., 713 F.2d 693, 698 (Fed. Cir. 1983) (other citations omitted).

<center>***</center>

> A patentable invention . . . may result even if the inventor has, in effect, merely combined features, old in the art, for their known purpose without producing anything beyond the results inherent in their use. American Hoist & Derek Co. v. Sowa & Sons, Inc., 220 U.S.P.Q. (BNA) 763, 771 (Fed. Cir. 1984) (emphasis in original, other citations omitted).

As the Court of Appeals for the Federal Circuit noted, "[w]hen a rejection depends upon a combination of prior art references, there must be some teaching, suggestion, or motivation to combine the references." Ecolochem, Inc. v. Southern Calif. Edison, 56 U.S.P.Q. 2d 1065, 1073 (Fed. Cir. 2000). Here, there is simply no motivation provided in either of the Hicks et al., or the Barr et al references to combine their teachings. Furthermore, even assuming that such a motivation existed, a combination of these references would not result in the method of *processing a customer claim against a manufacturer's product* as described in independent claims 1, 19, and 20.

It is respectfully submitted that the Hicks and Barr references skirt around, but do not suggest the claimed invention *as a whole*. See Hybritech Inc. v. Monoclonal Antibodies, Inc., 802 F.2d 1367, 1383 (Fed. Cir. 1986). Further, it is respectfully submitted that one must pick and choose elements from the dissimilar methods disclosed in the Hicks et al and Barr et al. references and then combine these elements by restructuring the methods, using hindsight and applicant's own

<center>17</center>

disclosure, to conclude that the claimed invention is obvious. And, even if this analysis were proper under § 103, the limitations of the claims of the present application would not be met. Applicant respectfully submits that this would be improper in view of the disclosure of the prior art.

More specifically, the Hicks et al. publication is directed to a digital business interface between participants in a closed business system. Certain participants within the Hicks system are charged with identifying and certifying the digital identity of individual parties and providing digital identification certifications and further providing warranties of the digital certifications. The issued warranties are financially backed-up by collateral accounts that set aside funds to provide compensation to claim complaints filed against the issued warranties should a transaction event go awry as a result of misidentified parties. The Hicks system does not concern itself with, or process claims against, a manufacturer's product. Additionally, when a claim is filed in the Hicks system against the issued warranty for the validity of a digital identification certificate, the Hicks system does not access the monetary a value of the particular claim against a manufacturer's product and then process it through a predetermined series of management levels for approval. The Examiner acknowledges that Hicks et al. fails to teach the step of determining the monetary value of a warranty claim, then processing the claim through three separate management levels based on the monetary value of the claim, as defined in independent claim 1. Similarly, the Hicks et al. publication does not teach a fourth management level that reviews approved claims against a manufacturer's product for accuracy and completeness and informs the customer of a denial. Moreover, Hicks et al. says nothing about any management level that informs and directs an accounting management level to reimburse the customer when a claim against a manufacturer's product is approved as defined in independent claims 19 and 20.

On the other hand, the Barr et al. '705 patent is directed toward a system and method that computer automates the management and control of every insurance claim filed into the system. The Examiner suggests that the Barr process includes hierarchical levels that can be combined with the Hicks et al publication. However, Barr '705 is concerned with computer automating the process of approving or denying insurance payouts to loss claims. The routing of claims in process to other staff member and a single supervisor provides easy and rapid processing of insurance loss claims and is not necessarily hierarchical. Furthermore, even if the routing step of Barr to a supervisor is somehow hierarchical in nature, the combining of the automated insurance claims processing operations of the Barr '705 patent with the complex financial transaction business system of the Hicks et al publication having digital identification certification process would not result in a logical and useable system. In short, applicant respectfully submits that there is no motivation to combine these references. Furthermore, even if the methods of Hicks et al. and Barr al. were combined, they would fail to teach the present invention as defined in independent claims 1, 19, and 20.

The Luedtke publication does not make up for the deficiencies in the teachings of the Hicks et al. or Barr et al. As noted above, Luedtke is merely cited as disclosing a web page button. However, the Luedtke application is entirely distinct from the other prior art references of record in this case and cannot cure the deficiencies in these references.
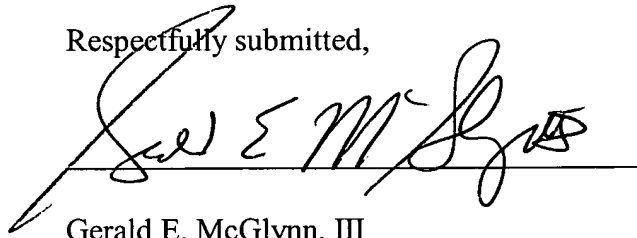
Thus, it is respectfully submitted that independent claims 1, 19, and 20 recite methods that are not disclosed or suggested by the prior art and are patentably distinguishable from the subject matter of the references discussed above. Claims 2 through 18 are all ultimately dependant upon independent claim 1 and add further perfecting limitations. As such the prior art references in combination or each reference standing alone do not suggest the present invention. However, even if they did, they could only be applied through hindsight after rearranging the disclosure of the prior art

in view of applicant's invention. A combination of the prior art in this way to derive applicant's invention would, in and of itself, be an invention.

Conclusion

In view of the above, applicant respectfully submits that the claims are clearly distinguished over the prior art and are therefore allowable. Accordingly, applicant respectfully solicits the allowance of the claims pending in this case.

Respectfully submitted,

Gerald E. McGlynn, III
Registration No. 33,737
BLISS McGLYNN, P.C.
2075 W. Big Beaver, Suite 600
Troy, Michigan 48084
(248) 649-6090

Date: October 31, 2005
Attorney Docket No.: 01-1-129 (3005.00017)